

05/04/2023

Turkish Scrap

Turkish deepsea import ferrous scrap prices softened April 4, as Turkish mills continued to refrain from buying deepsea cargoes, prolonging the market's silence. Platts assessed Turkish imports of premium heavy melting scrap 1/2 (80:20) at \$437.50/mt CFR April 4, down \$2 on day. A mill source cited an indicative buyer target for US/Baltic-origin HMS 1/2 (80:20) below \$430/mt CFR Turkey "The way it's going maybe we'll see \$420/mt CFR in a few weeks, but US sellers have a bit more luxury to resist the drop, given their strong domestic market but their production rates are dropping so they can't send as much scrap to domestic mills," the mill source added.

Many US domestic mills are expected to have seasonal outages during the month of April, Platts reported April 3. Some market sources said that US mills were pushing for a \$20/lt drop on month for April settlements of domestic US shredded and HMS prices. US East Coast HMS collection prices were heard to have fallen sharply, down to \$335-\$355/lt delivered to the dock, with the higher end of the range reflecting larger tonnage. In the UK, HMS collection prices also fell to GBP 280-290/mt delivered to the dock, down from GBP 300/mt delivered during the week ended March 31.

A second Turkish mill source cited indicative tradable values for Baltic-origin HMS 1/2 (80:20) at \$435/mt CFR Turkey, and for US-origin HMS 1/2 (80:20) at \$438-\$439/mt CFR Turkey. The mill source added that \$435-\$436/mt CFR Turkey for US material would work for buyers but said sellers were resisting. "The euro-US dollar rate is not letting some sell below \$440/ mt CFR, but other factors are also important," a Baltic recycler said. "Some sellers may need to sell due to their stock levels, or a lack of working capital. (Platts)

FOB CHINA HRC

The index was fell by \$1/t yesterday (4.4.23) to US\$639/t, MTD US\$639.5/t.

The market has turned bearish on steel demand, with participants seeing Chinese mills' production rates in the coming weeks as the key driving factor.

Major Chinese mills and trading firms held offers unchanged at an equivalent of \$625-675/t fob China for SS400 HRC. Seaborne buyers were silent, reluctant to bid as Chinese domestic sales prices were down on consecutive days.

There was no signal of a demand pickup in Vietnam, although talks emerged that the Vietnamese government will announce stimulus policies to support the local real estate industry. (Argus)

Market Rates

Platts TSI HMS 1/2 80:20 CFR Turkey (\$/mt)	437.50	-2.00	438.50
Steel Rebar FOB Turkey (\$/mt)	700.00	-5.00	702.50
Argus HRC NW Europe (€/mt)	850.75	1.00	850.25
Argus FOB China HRC (\$/mt)	639.00	-1.00	639.50

LME HMS 80:20 CFR TK			
	Bid	Ask	Value
Apr-23	430	440	435
May-23	423	433	428
Jun-23	427	437	432
Q2-23	427	437	432
Q3-23	430	440	435
Q4-23	435	445	440

US HRC USD/short ton			
	Bid	Ask	Value
Apr-23	1165	1175	1170
May-23	1105	1115	1110
Jun-23	1005	1015	1010
Q2-23	1092	1102	1097
Q3-23	885	895	890
Q4-23	835	845	840

LME REBAR FOB TK			
	Bid	Ask	Value
Apr-23	675	695	685
May-23	672	692	682
Jun-23	675	695	685
Q2-23	674	694	684
Q3-23	675	695	685
Q4-23	675	695	685

NWE HRC EUR/metric ton			
	Bid	Ask	Value
Apr-23	845	865	855
May-23	815	835	825
Jun-23	790	810	800
Q2-23	817	837	827
Q3-23	775	795	785
Q4-23	750	770	760

LME HRC FOB TIANJIN CHINA USD/mt			
	Bid	Ask	Value
Apr-23	625	645	635
May-23	624	644	634
Jun-23	623	643	633
Q2-23	624	644	634
Q3-23	620	640	630
Q4-23	615	635	625

BUSHELING			
	Bid	Ask	Value
Apr-23	560	580	570
May-23	520	540	530
Jun-23	490	510	500
Q2-23	523	543	533
Q3-23	480	500	490
Q4-23	480	500	490

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Spread Moves

SPREAD TABLE								
Metal	Front Mth	Back Mth	Current	T-1w	T-1M	T-3M	T-12M	Tight/Eased T-1w
US HRC	APR 23	MAY 23	72	50	27	-13	0	Tightened
	APR 23	JUN 23	175	155	70	-13	0	Tightened
	APR 23	JUL 23	240	250	147	-18	0	Eased
	MAY 23	JUN 23	103	105	43	0	0	Eased
	MAY 23	JUL 23	168	200	120	-5	0	Eased
	JUN 23	JUL 23	65	95	77	-5	0	Eased
EU HRC	APR 23	MAY 23	19	15	0	-5	0	Tightened
	APR 23	JUN 23	56	21	-5	-19	0	Tightened
	APR 23	JUL 23	66	41	5	-23	-100	Tightened
	MAY 23	JUN 23	37	6	-5	-14	0	Tightened
	MAY 23	JUL 23	47	26	5	-18	-100	Tightened
	JUN 23	JUL 23	10	20	10	-4	-100	Eased
Mill Margin	APR 23	APR 23	615	580	656	320	600	Tightened
	MAY 23	MAY 23	563	590	629	333	600	Eased
	JUN 23	JUN 23	475	490	596	333	600	Eased
Atlantic Spread (US-EU)	APR 23	APR 23	324	335	371	29	475	Eased
	MAY 23	MAY 23	271	300	344	37	475	Eased
	MAY 23	MAY 23	271	300	344	37	475	Eased
	JUN 23	JUN 23	205	201	296	23	475	Tightened
	JUL 23	JUL 23	150	126	229	24	375	Tightened

Front Month Price Grid

Field	US HRC	US BUS	NW EUR HRC	LME SCRAP TK	LME HRC FOB	LME REBAR TK	TimeFrame
PRICE	1171	565	854	437	640	679	Current
	1170	590	835	433	639	684	T-1W
	1236	580	865	461	673	756	T-1M
	785	465	756	410	648	682	T-3M
	780	390	780	364	598	651	T-6M
	1275	675	800	550	860	853	T-12M
	817	475	750	405	674	681	YTD

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